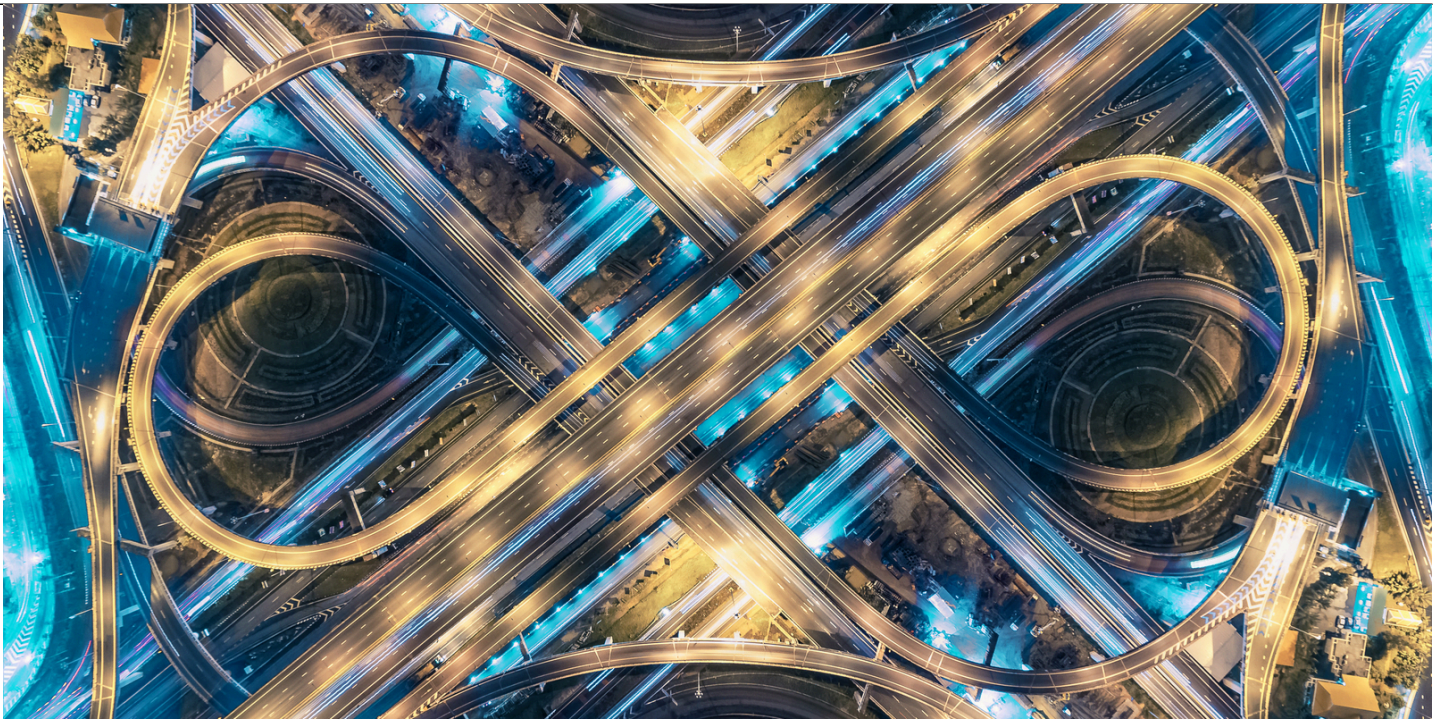




## **A Roadmap to Avoid Wrong Turns at the AI and Legal Ops Crossroads**

**Law Department Management**

**Technology, Privacy, and eCommerce**



## Cheat Sheet

- **The catalyst.** Adapting to remote work during the pandemic spurred a need for technological transformation, including bringing artificial intelligence into legal ops.
- **Hesitancy to adapt.** Only 12 percent of corporate legal teams are already using AI within current operational tools and processes.
- **Opportunities to implement.** AI can be used in M&A due diligence, eDiscovery, and legal spend analysis.
- **Roadmap.** Legal ops professionals should consider their department's budget and priorities when building a roadmap for rolling-out new workflows and technologies.

Modern legal departments are expected to operate like their business counterparts. In an attempt to gain greater control over legal work and spending, chief legal officers (CLOs) are growing the size of their teams, investing in legal operations headcount, and allocating more budget toward creating in-house specialist roles. Meanwhile, the pandemic has sped up transformation within most organizations, including in the legal department, driving a new sense of urgency around the use, adoption, and efficiency of technology advancements, such as artificial intelligence (AI).

The scope of corporate risk is shifting as well. As these factors collide, in-house legal teams are arriving at a difficult crossroads where seemingly “right” and “wrong” decisions for technology, headcount, and process investments may not be perfectly aligned with internal expectations and needs.

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Legal departments will need a roadmap that addresses the full scope of the department's workload, challenges, and culture to ensure legal technology deployments are on the right track to gain adoption and deliver real benefits. This is where the legal operations role plays a significant part and has a significant opportunity to add value to the business.

While the position was long considered a nice-to-have but not essential, the increased demand for business processes and efficiencies to improve has also driven demand for professionals who can bring strategic, operational, and technological transformation to the legal department. To this end, most in-house teams (58 percent, according to [Gartner](#)) now have at least one legal operations manager. The same study showed an increase in these roles at Fortune 500 companies.

In addition to growing legal operations roles, in-house counsel are also responding to a complex and rapidly changing regulatory environment that requires a new level of expertise. This has led to a shift in the types of lawyers hired for in-house roles.

While legal departments have traditionally been comprised of mostly generalist lawyers, [Gartner](#) suggests that 20 percent of generalists will be replaced with specialist staff by 2024.

In-house specialists will increasingly offload work from outside counsel and help the organization respond to increased legal and compliance complexities.

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Legal teams have also become more open to technology than ever before. Historically, most legal departments have been tech resistant, but the events of the past year and a half have forced everyone, ready or not, to embrace new tools for remote working. Among in-house counsel, this has included wider use of collaboration and document sharing tools, e-signature platforms, video conferencing, and other virtual applications.

What does all this mean for legal operations professionals? There will be more pressure — and opportunity — to deliver. Understanding the opportunities and pitfalls in technology modernization, particularly around AI-enabled emerging advancements, and creating an actionable roadmap will be critical to meeting a broad set of high expectations.

## **AI points in more than one direction**

Using AI in the legal operations continues to be a topic of debate and trepidation. Recent surveys have shown that as few as 12 percent of corporate legal teams are already using AI within current

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operational tools and processes. Roughly half are exploring it as a new method to reduce workload, gain more insights, or improve performance, but a notable portion (37 percent) of those not exploring/using AI also do not have a technology roadmap.

The issue with AI — and, really, any cutting-edge or buzzworthy technology — is using it will not simply make everything easier. AI applications in the legal department are not plug and play. To be effective, they require an understanding of the problem that needs to be solved.

The focus can't be on the tech and all its promises. Legal teams must think about the need, what types of functionalities would truly alleviate burdens, and then determine if AI can be part of the solution. Also, depending on what the AI is being used for, it will need to be based on data sets with a high degree of integrity and supported with training for those using it.

AI and advanced analytics have been around for some time in eDiscovery and document review. These applications are relatively well known and can be a good starting point for legal teams that are skeptical of new tech or unsure of exactly how to incorporate it into their work. There has also been a trend toward an increased use of AI in M&A activity, such as identifying key documents that should be produced in due diligence or finding instances of personal data in large datasets to understand a company's underlying privacy risks.

Similarly, analytics can be used to examine large volumes of contracts during M&A due diligence or to evaluate any regulatory implications within an organization's partner and customer agreements. The workflows for these use cases have been widely tested and are low-risk opportunities for legal teams to test drive analytics-based technology.

Legal spend analysis is another category in which legal operations professionals can begin bringing AI into their departments. Corporate leaders want to see the legal department benchmarking their budgets and activities against what's happening at peer organizations. [Industry surveys](#) are a foundation for this, but it's also important for the team to have a clear view of its own spend trends and the areas where efficiencies are needed. By feeding clean expense and billing data into an analytics or AI tool, legal teams can automatically create a visual dashboard of everything that's impacting the overall legal budget.

The general counsel can see the department's spend at a macro level and work with legal operations to tackle problem areas, while individual lawyers can zoom in on a micro view of their own cases to see where there's room to cut costs and boost efficiency. In addition to budget insights, analytics dashboards can also help lawyers visualize their cases from a project management standpoint and offer a single view of the actions and decisions made or still needed to meet deadlines.

## **A successful technology journey**

These are the questions legal operations professionals need to consider, answer, and incorporate into their technology roadmap.

- What does the legal department need now, in the mid-term and in the long-term?
- Are existing business processes and technology infrastructure understood and documented?
- What technologies are already in use that can be further leveraged and expanded?
- What tools are not delivering value?
- What problems can be solved with a new system?

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- Are processes flexible and able to pivot in the face of unexpected challenges?

With a roadmap that provides insight and strategy in the context of the department's budget and range of priorities, legal operations professionals can begin to roll-out new workflows and technologies. There are several steps that will help ensure the roadmap stays on track and is positioned to deliver noticeable impact.

## **Build relationships**

Legal operations practitioners are responsible for obtaining buy-in from senior leaders and bringing them along the journey as champions for change.

One of the surest ways for a tech implementation to fail is by launching it without executive sponsorship.

Legal operations practitioners are responsible for obtaining buy-in from senior leaders and bringing them along the journey as champions for change.

Relationships and trust inside and outside of legal, with any stakeholders who may be impacted by (or oppose) a new system, are important as well.

Take time to understand who the key players are, what's important to them, and how those pieces all fit together into the overall landscape of the organization. Recognize that change is hard for many people. Then move from that understanding to build bridges.

## **Make adoption easy**

If a new process, policy, or technology isn't adopted, leadership will view it as a failure. Be sure to include a change management strategy as part of the launch and make it as easy and appealing as possible for the team to climb on the bandwagon. This includes making a strong argument for how the change will improve work.

For example, if a new AI tool is being implemented, position it in the context of automating manual processes that have made day-to-day work more difficult. Help the team understand that shifting to the new way will better enable everyone to move together toward the same set of strategic objectives. Training, communicating, and evaluating KPIs on an ongoing basis will be imperative.

By treating the new system as a living, breathing organism that is designed to evolve as new



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problems, people, and tools come into the equation, legal operations will optimize adoption and build trust within the organization.

## **Use resources wisely**

The point of legal operations is to increase efficiencies, cut costs, and take the burden of running the legal department off the backs of the lawyers so they can focus on their core expertise. Therefore, it's essential to make smart decisions about how to allocate resources. For example, if the budget doesn't allow for the headcount needed to get projects off the ground, legal operations managers can identify professionals on the team who are underutilized and assign them targeted projects that will make a meaningful impact.

It's also helpful to identify technology that can be leveraged without a large investment. Contract management, e-billing, and matter management are good examples of tools that can streamline a lot of manual work without consuming a significant amount of the budget. An internal web portal is another way to show quick operational wins without much of an investment. These types of internal sites allow teams to better connect on remote work, create a central store of important information, share insights, and access core applications.

## **The uncharted course**

The legal industry has reached a point where people and organizations are beginning to return to in-person offices in various models and formats and resume some of the previous ways of working. Despite what may be viewed as a “return to normal,” some of the changes we've experienced, and the lessons learned during the pandemic will carry on into the future.



Remember, it might not be a straight line.

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In legal departments, forced remote work provided an eye-opening experience as to how technology can simplify work and improve efficiencies. As a result, more people are opening up to the possibilities of legal technology.

With this fresh perspective and willingness to try advanced tools and AI, we have before us a new wave of possibilities for how technology can support legal departments in their journey to become strategic, value-add business drivers.

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